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DELAWARE P.S.C.

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November 6, 2013

Ms. Alisa Bentley, Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, Delaware 19904

Re: Chesapeake Utilities Corporation - PSC Docket No. 12-292

Dear Ms. Bentley:

Enclosed herewith for filing, are recently approved tariff sheets from Chesapeake Utilities Corporation - Delaware Division's Natural Gas Tariff. These tariff revisions apply to the Table of Contents, Fifth Revised Sheet No. ii; Rules and Regulations, Fourth Revised Sheet No. 12; Rules and Regulations, Fourth Revised Sheet No. 12.1; Rules and Regulations, Fourth Revised Sheet No. 12.2; Rules and Regulations, First Revised Sheet No. 12.3; Tariff Page, Second Revised Sheet No. 12.4; Rate Schedule "ERS-1", Original Sheet No. 29.4; Rate Schedule "ERS-1", Original Sheet No. 29.5; Rate Schedule "ERS-2", Original Sheet No. 29.6; Rate Schedule "ERS-2", Original Sheet No. 29.7; Rate Schedule "EGS", Original Sheet No. 30.2; Rate Schedule "EGS", Original Sheet No. 30.3; Rate Schedule "EMVS", Original Sheet No. 31.2; and Rate Schedule "EMVS", Original Sheet No. 31.3. These tariff sheets are to be effective for bills rendered on and after December 1, 2013. These "clean copy" tariff sheets are being filed in compliance with Commission Order No. 8479, which was issued by the Commission at its November 5, 2013 meeting in the above referenced docket.

If you have any questions with regard to this compliance filing, please contact me at 302.734.6797, extension 6201.

Sincerely,

Sarah E. Hardy  
Regulatory Analyst II

Enclosure

CC: William A. Denman, Esquire  
Jason Smith, Public Utilities Analyst  
David L. Bonar, Public Advocate

Chesapeake Utilities Corporation

350 South Queen Street • Dover, Delaware 19904 • 302.734.6797 • 302.735.3061 / fax

www.chpkgas.com

**CHESAPEAKE UTILITIES CORPORATION**  
**DELAWARE DIVISION**

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**Issue Date: November 5, 2013**

**Effective Date: For Bills Rendered on and after December 1, 2013**

**Authorization: Order No. 8479 in PSC Docket No. 12-292 dated November 5, 2013**

## **RULES AND REGULATIONS**

### **SECTION VI – SERVICE INSTALLATIONS AND MAIN EXTENSIONS**

#### **6.1 SERVICE INSTALLATIONS**

The Company will install the service line from its existing distribution main to the Customer's meter location at its expense. However, if the service line exceeds seventy-five (75) feet in length, the Company's initial investment in the entire service installation shall be limited to six (6) times the related estimated annual base tariff revenue excluding all fuel costs ("net revenue") from the Customer. The amount of the investment that exceeds the six (6) times net revenue test for the service installation shall be paid by the Customer in accordance with the terms of Section 6.3.

Service Installations, as used in this section for purposes of the six (6) times net revenue test, refers to the costs associated with the service line piping, meter installation and associated materials from the tap on the Company's gas distribution main system up to and including the Customer's meter.

#### **6.2 MAIN EXTENSIONS**

Main extensions to the Company's gas system shall be provided, owned and maintained under the terms and conditions stated herein. Main extensions, as used in this section for purposes of the economic evaluation criteria, refers to the cost of gas distribution mains and associated materials that must be constructed along public streets, roads and highways, or on private property from the Company's existing gas distribution main system to the initiation of the service line. Main extensions are limited to the extent of new investment warranted by the anticipated revenues as stated in this Section VI.

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**RULES AND REGULATIONS**

**SECTION VI – SERVICE INSTALLATIONS AND MAIN EXTENSIONS  
(Continued)**

**6.2 MAIN EXTENSIONS (Continued)**

**New Residential Development**

The economic evaluation criteria for installing natural gas service to the new residential development will be based on an Internal Rate of Return Model (“IRRM”) with certain predetermined conditions and guidelines. The applicable procedures and guidelines in the implementation of the IRRM are on file with and have been approved by the Delaware Public Service Commission. The procedure used to determine whether a financial guarantee will be required from a Customer(s) is part of the IRRM methodology on file with the Commission.

**Existing Residential Developments**

The economic evaluation criteria for installing natural gas service to an existing residential development will be based on an Internal Rate of Return Model (“IRRM”) with certain predetermined conditions and guidelines. The applicable procedures and guidelines in the implementation of the IRRM are on file with and have been approved by the Delaware Public Service Commission. The procedure used to determine whether a financial guarantee will be required from a Customer(s) is part of the IRRM methodology on file with the Commission.

**Commercial and Industrial Main Extensions**

The economic evaluation criteria for installing natural gas service to commercial and industrial customers, including transportation and non-firm customers, will be the six (6) times net revenue test based on the commercial and industrial customers’ estimated level of annual non-fuel revenue. The estimated annual non-fuel revenue is defined as the estimated annual base tariff revenue or delivery service revenue excluding all fuel related costs for the respective customer. If the estimated investment in the facilities necessary to provide gas service exceeds six (6) times the related annual non-fuel revenue from the respective Customer(s), the Customer(s) shall provide a financial guarantee in accordance with the terms of Section 6.3.

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## **RULES AND REGULATIONS**

### **SECTION VI – SERVICE INSTALLATIONS AND MAIN EXTENSIONS (Continued)**

#### **6.3 FINANCIAL GUARANTEES**

Financial Guarantees may be made by a Contribution in Aid of Construction (“CIAC”), a Customer Advance, a Letter of Credit, or other financial guarantee at the Company’s discretion.

Should the Customer provide a Customer Advance, the Company will provide, in a written agreement with the Customer, for refunds (without interest) of all, or part, of the monies advanced by the Customer in connection with the extension and the applicable economic evaluation criteria. Refunds to the Customer shall extend over a term of years, not to exceed six years, upon such basis or conditions as may be mutually agreeable to the Company and the Customer, and specified in the written agreement. In no case shall the total refund be greater than the Customer’s deposit. Any portion of the deposit remaining after the expiration of the term as specified in the written agreement shall be retained by the Company and credited as a Contribution In Aid of Construction.

Should the Customer provide a Letter of Credit or other financial guarantee, the estimated revenue attributable to the extension shall be examined prior to the expiration of the Letter of Credit or other financial guarantee. The Company may either draw on the Letter of Credit or other financial guarantee or require that it be renewed, where a continued financial guarantee is still required.

#### **6.4 RIGHT TO DETERMINATION**

In each and every situation where the Company and the prospective Customer cannot agree as to the necessity for a financial guarantee to be borne by the prospective Customer, the prospective Customer will be advised by the Company of the right to have the matter determined by the Public Service Commission under 26 Del Code, Section 203.

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**RULES AND REGULATIONS**

**SECTION VI – SERVICE INSTALLATIONS AND MAIN EXTENSIONS  
(Continued)**

**6.5 OWNERSHIP AND MAINTENANCE**

The Company shall own, maintain and renew all its equipment, between the main and the outlet side of the meter connection.

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**RATE SCHEDULE "ERS-1"**

**EXPANSION AREA RESIDENTIAL SERVICE – 1**

**AVAILABILITY**

This rate schedule is available to any individually metered customer within the southeastern Sussex County, Delaware, expansion area using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with an annual consumption of 240 Ccf or less. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those customers receiving service under this rate schedule in order to determine the appropriate firm residential rate schedule should their annual consumption warrant such a change. This annual review process will be based on the twelve months ended August. Customers will not be shifted between rate schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the customer's location apply to all customers served under this rate schedule.

Customer Charge:	\$16.50 per month
First 20 Ccf	\$0.607 per Ccf
Next 30 Ccf	\$0.280 per Ccf
Over 50 Ccf	\$0.170 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, customers served under this rate schedule are subject to the gas cost rate applicable to Rate Schedule "RS" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

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**RATE SCHEDULE "ERS-1"**

**EXPANSION AREA RESIDENTIAL SERVICE – 1  
(Continued)**

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others.
- (3) In addition to the above Delivery Service rates, customers served under this rate schedule may be subject to one or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**RATE SCHEDULE "ERS-2"**

**EXPANSION AREA RESIDENTIAL SERVICE – 2**

**AVAILABILITY**

This rate schedule is available to any individually metered customer within the southeastern Sussex County, Delaware, expansion area using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with annual consumption of greater than 240 Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those customers receiving service under this rate schedule in order to determine the appropriate firm residential rate schedule should their annual consumptions warrant such a change. A Customer on ERS-1 Service will be moved to this rate schedule with annual consumption equal to or greater than 264 Ccf. A Customer on this rate schedule will be moved to ERS-1 Service with annual consumption less than 216 Ccf. This annual review process will be based on the twelve months ended August. Customers will not be shifted between rate schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the customer's location apply to all customers served under this rate schedule.

Customer Charge:	\$31.75 per month
First 20 Ccf	\$0.578 per Ccf
Next 30 Ccf	\$0.319 per Ccf
Over 50 Ccf	\$0.132 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, customers served under this rate schedule are subject to the gas cost rate applicable to Rate Schedule "RS" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

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**Issue Date: November 5, 2013**

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**RATE SCHEDULE "ERS-2"**

**EXPANSION AREA `RESIDENTIAL SERVICE – 2  
(Continued)**

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others.
- (3) In addition to the above Delivery Service rates, customers served under this rate schedule may be subject to one or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**RATE SCHEDULE "EGS"**

**EXPANSION AREA GENERAL SERVICE**

**AVAILABILITY**

This rate schedule is available to any customer within the southeastern Sussex County, Delaware, expansion area using gas for commercial and/or industrial purposes with an annual consumption of less than 4,000 Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those customers receiving service under this rate schedule in order to determine the appropriate firm commercial and/or industrial rate schedule should their annual consumption warrant such a change. This annual review process will be based on the twelve months ended August. Customers will not be shifted between rate schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the customer's location apply to all customers served under this rate schedule.

Customer Charge:	\$56.00 per month
First 20 Ccf	\$0.447 per Ccf
Next 30 Ccf	\$0.278 per Ccf
Over 50 Ccf	\$0.140 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, customers served under this rate schedule are subject to the gas cost rate applicable to Rate Schedule "GS" provided on Sheet No. 42.

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

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**RATE SCHEDULE "EGS"**

**EXPANSION AREA GENERAL SERVICE  
(Continued)**

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.
- (3) A firm customer that transfers from Gas Sales Service to Transportation and Balancing Service or to Interruptible Sales Service, as authorized under the Company's tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (3) In addition to the above Delivery Service rates, customers served under this rate schedule may be subject to one or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE**

**AVAILABILITY**

This rate schedule is available to any customer within the southeastern Sussex County, Delaware, expansion area using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than 4,000 Ccf and less than 15,000 Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this rate schedule in order to determine the appropriate firm commercial and/or industrial rate schedule should their annual consumption warrant such a change. A Customer on Rate Schedule EGS will be moved to this rate schedule with annual consumption equal to or greater than 4,400 Ccf. A Customer on this rate schedule will be moved to rate schedule EGS with annual consumption less than 3,600 Ccf. The annual review process will be based on the twelve months ended August. Customers will not be shifted between rate schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the customer's location apply to all customers served under this rate schedule.

Customer Charge:	\$158.75 per month
First 200 Ccf	\$0.227 per Ccf
Over 200 Ccf	\$0.115 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, customers served under this rate schedule are subject to the gas cost rate applicable to Rate Schedule "MVS" provided on Sheet No. 42.

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

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**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE  
(Continued)**

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.
- (3) A firm customer that transfers from Gas Sales Service to Transportation and Balancing Service or Interruptible Sales Service, as authorized under the Company's tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (4) In addition to the above Delivery Service rates, customers served under this rate schedule may be subject to one or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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